

**GREATER PROVIDENCE CHAPTER.  
FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
REPORT ON CONTRACT COMPLIANCE  
CALENDAR YEAR 1999**

**DEPARTMENT OF ADMINISTRATION  
BUREAU OF AUDITS  
ONE CAPITOL HILL  
PROVIDENCE, RI 02908-5889**



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
BUREAU OF AUDITS  
One Capitol Hill  
Providence, R.I. 02908-5889  
TEL #: (401) 222-2768  
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Greater Providence Chapter for Retarded Citizens, Inc.

(John E. Fogarty Center)

REPORT ON CONTRACT COMPLIANCE

Calendar Year 1999

EXECUTIVE SUMMARY

The prior audit report for the Greater Providence Chapter for Retarded Citizens, Inc. issued April 15, 1998 by the Bureau of Audits, cited two recommendations that have been implemented.

Based on our contract compliance engagement for the calendar years 1994 through 1999, we determined the following:

1. A net settlement of \$24,642 is due to the Department of Human Services from the provider as a result of excess per diem rates, for the period under review.
2. There were net excess funds of \$4,092 in the Provider's Day, Waiver, and Semi-Independent Residential Programs that should be recovered by the Department of Mental Health, Retardation and Hospitals or reprogrammed in accordance with applicable contract provisions and policy.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
CALENDAR YEAR 1999

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
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One Capitol Hill  
Providence, R.I. 02908-5889  
TDD #: 222-2726  
FAX #: 222-3973

May 2, 2001

Ms. Christine Ferguson, Director  
Department of Human Services  
600 New London Avenue  
Cranston, RI 02920

Dear Ms. Ferguson:

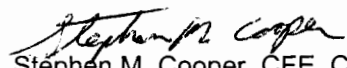
We have examined the cost report submitted by the Greater Providence Chapter for Retarded Citizens, Inc. (John E. Fogarty Center) for the calendar year 1999. We audited the most current year and reviewed the cost reports for 1994 through 1998 to settle those years for the following DHS Funded Intermediate Care Facilities for the Mentally Retarded (ICF/MR):

<u>Facility</u>	<u>License Number</u>
Scenic Hill Group Home	53
Roland Street Group Home	132
Douglas Avenue Group Home	235

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Section 35-7-4 of the R.I. General Laws requires the director of the department audited to respond in writing within 60 days to all recommendations made by the Bureau of Audits. A copy of your reply should also be sent directly to Robert L. Carl, Jr., Ph.D., Director, Department of Administration; Honorable Antonio J. Pires, Chairman of the House Finance Committee; and to the Honorable Frank T. Caprio, Chairman of the Senate Finance Committee.

We wish to express our appreciation to the officials of the Department of Human Services and to the director and staff members of the Greater Providence Chapter for Retarded Citizens, Inc. (John E. Fogarty Center), for their assistance and cooperation during the course of this engagement.

Sincerely,

  
Stephen M. Cooper, CFE, CGFM  
Chief, Bureau of Audits

SMC:pb



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One Capitol Hill  
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May 2, 2001

Ms. A. Kathryn Power, Director  
Department of Mental Health, Retardation and Hospitals  
600 New London Avenue  
Cranston, RI 02920

Dear Ms. Power:

We have examined the cost report submitted for Greater Providence Chapter for Retarded Citizens, Inc. (John E. Fogarty Center), for the following MHRH funded programs for the calendar year 1999:

Programs

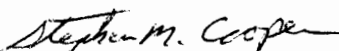
Adult Day Programs  
Conversion Waiver Program  
Residential Waiver Program  
Semi-Independent Residential Programs

The report contained herein represents the consolidation and field audit revision report approved by your department to provide for greater and more timely audit coverage to your providers. This audit is based on the most recent year audited. For settlement purposes this report includes calendar years 1994 through 1998.

The findings and recommendations included herein have been discussed with management and we have considered their comments in the preparation of our report. Section 35-7-4 of the R.I. General Laws requires the director of the department audited to respond in writing within 60 days to all recommendations made by the Bureau of Audits. A copy of your reply should also be sent directly to Robert L. Carl, Jr., Ph.D., Director, Department of Administration; Honorable Antonio J. Pires, Chairman of the House Finance Committee; and to the Honorable Frank T. Caprio, Chairman of the Senate Finance Committee.

We wish to express our appreciation to the officials of the Department of Mental Health, Retardation and Hospitals (MHRH) and to the director and staff members of the Greater Providence Chapter for Retarded Citizens, Inc. (John E. Fogarty Center), for their assistance and cooperation during the course of this engagement.

Sincerely,

  
Stephen M. Cooper, Chief  
Bureau of Audits

SMC:pb

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZEN, INC.

(JOHN E. FOGARTY CENTER)

CALENDAR YEAR 1999

SCOPE AND PURPOSE

The purpose of this engagement was to audit the most current year cost report (1999) submitted by the provider for services funded by the Department of Human Services and the Department of Mental Health, Retardation and Hospitals and make settlements for that year and also make settlements for all prior unaudited years. The review of prior unaudited years (1994-1998) was limited to reviewing selected accounts and making adjustments based on risk factors developed through the testing of the current year accounts, the prior field audit, prior year cost reports and sampling.

By funding source the purpose of this audit was to determine:

DHS Programs

- whether expenses were allowable in accordance with the principles of reimbursement.
- through the verification of census records the total client days used in calculating audited per diem rates.
- any over or under funding on behalf of the Department of Human Services.
- if the clients' clothing funds, and client wages were properly maintained in accordance with the prescribed guidelines.

MHRH Programs

- whether expenses reported per the cost reports were in accordance with the terms of the contracts.
- whether revenues were reported accurately on the cost reports.
- any over or under funding on behalf of the Department of Mental Health, Retardation and Hospitals.

Our audit of DHS programs was made in accordance with the "Federal Medicare Principles of Reimbursement" issued by the Social Security Administration, Bureau of Health Insurance HIM-15 adopted by the State of Rhode Island with the exclusion of return of net equity and the approved providers' operating budgets.

Additionally, we have audited the Clients' Clothing Account Funds in accordance with the "Principles for Skilled Nursing and Intermediate Care Facilities," and the Clients' Personal Needs Funds in accordance with the "Uniform Accountability Procedures for Title XIX Patient Personal Needs Funds in Skilled Nursing and Intermediate Care Facilities."

Our audit of the financial records included verification of revenues and expenses through testing procedures which were deemed necessary in the circumstances.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
CALENDAR YEAR 1999

BACKGROUND

Title 40.1-21-4 of the General Laws of the State of Rhode Island authorizes the Director of the Department of Mental Health, Retardation and Hospitals to be responsible for "planning and developing a complete, comprehensive and integrated statewide program for the developmentally disabled." Said programs may include but are not limited to: various type workshop activities, programs to alleviate and ameliorate developmental problems, physical activities, health consultation, and transportation problems.

The Greater Providence Chapter for Retarded Citizens, Inc., also known as the John E. Fogarty Center, is a private nonprofit corporation located at 220 Woonasquatucket Avenue, North Providence. It is one of eight regional chapters. The Center is governed by a board of directors consisting of fifteen members including five elected officers. The elected officers serve two-year terms and the members-at-large serve alternating two-year terms.

On June 30, 1996 the Scenic Hill, Roland Street, and Douglas Avenue Group Homes were converted from Intermediate Care Facilities for the Mentally Retarded (ICF/MR's) to Waiver Funded Residential Facilities for developmentally disabled citizens.



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Ms. Christine Ferguson, Director  
Department of Human Services  
600 New London Avenue  
Cranston, RI 02920

Dear Ms. Ferguson:

We have performed the procedures enumerated below, which were agreed to by the Department of Human Services (DHS) and Greater Providence Chapter for Retarded Citizens, Inc. (provider), solely to assist the users in evaluating the provider's assertion about their compliance with DHS's Principles of Reimbursement H.I.M.-15 to the service provider cost reports, Clients' Clothing Account Funds to DHS's Principles for Skilled Nursing and Intermediate Care Facilities and Clients' Personal Needs to DHS's Procedures for Title XIX Patient Personal Needs Funds in Skilled Nursing and Intermediate Care Facilities for the calendar year 1999. Further, to provide for greater and more timely coverage we have applied an agreed-upon strategic plan to calendar years 1994 through 1998 which allows us to review and adjust these prior year cost reports based on current year findings as well as other risk factors. For settlement purposes this report includes those cost reports based on that strategic plan. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

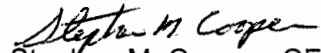
Based on the application of the procedures referred to above, we determined a final rate settlement for the ICF/MR's for the calendar years 1994 through 1999 with provisions of DHS's Principles of Reimbursement H.I.M.-15, and determined ending client fund balances for the calendar years 1994 through 1999 with provisions of DHS's Principles for Skilled Nursing and Intermediate Care Facilities, and Uniform Accountability Procedures for Title XIX Patient Personal Needs Funds in Skilled Nursing and Intermediate Care Facilities. These matters are discussed in the accompanying "Findings and Recommendations" section of this report.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion of assertion by the provider's management. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Ms. Christine Ferguson, Director  
Page 2

This report is intended solely for the use of DHS and the provider and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



Stephen M. Cooper, CFE, CGFM  
Chief, Bureau of Audits  
September 29, 2000

SMC:pb



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FAX #: (401) 222-3973

Ms. A. Kathryn Power, Director  
Department of Mental Health, Retardation and Hospitals  
600 New London Avenue  
Cranston, RI 02920

Dear Ms. Power:

We have performed the procedures enumerated below, which were agreed to by the Department of Mental Health, Retardation and Hospitals (MHRH) and Greater Providence Chapter for Retarded Citizens Inc., (provider), solely to assist the users in evaluating the provider's assertion about their compliance to the financial terms and conditions contained within the Day Program Service for Developmentally Disabled Citizens contracts during the calendar year 1999. Further, to provide for greater and more timely coverage we have applied an agreed-upon strategic plan to calendar years 1994 through 1998 which allowed us to review and adjust these prior year cost reports based on current year findings as well as other risk factors. For settlement purposes this report includes those cost reports for calendar years 1994 through 1998 based on that strategic plan. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For purposes of this engagement we made a determination as to the reasonableness of allowable costs based on the "prudent person rule," accuracy of reported activities and if any overall surplus funding was provided by MHRH.

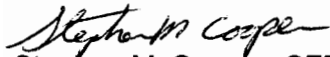
Based on the application of the procedures referred to above, we became aware of an overall surplus by MHRH for the calendar year (s) 1994 through 1999, of \$8,922, of which \$4,092 is due to MHRH. This matter is discussed in the accompanying "Findings and Recommendations" section of this report.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion of assertion by the provider's management. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Ms. A. Kathryn Power, Director  
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Sincerely,



Stephen M. Cooper, CFE, CGFM  
Chief, Bureau of Audits  
September 29, 2000

SMC:pb

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E FOGARTY CENTER)  
STATEMENT OF REVENUE AND EXPENSES - TOTAL  
CALENDAR YEAR 1999

Revenues	Total	Administrative	Adult Day Program	Conversion Waiver Program	Waiver Resident Program	Semi-Independent Apartment Program	Recreation	Workshop	Gift Shop	Laundry	Child Care	Agency
State of Rhode Island												
Department of MHRH	7,543,931	-	2,906,225	777,131	3,692,090	168,485	-	-	-	-	-	-
Other State Depts	\$ 186,699	-	126,699	60,000	-	-	-	-	-	-	-	-
Social Security Inc	381,698	-	-	-	381,698	-	-	-	-	-	-	-
Client Excess Earning	28,979	-	-	-	28,979	-	-	-	-	-	-	-
City of Town Support	15,705	-	15,705	-	-	-	-	-	-	-	-	-
Interest Income	41	-	41	-	-	-	-	-	-	-	-	-
United Way	6,631	-	-	-	-	-	6,631	-	-	-	-	-
Restricted Donations	3,295	-	-	-	-	-	-	-	-	-	-	3,295
Unrestrict Donations	4,460	525	-	-	-	-	-	-	-	-	-	3,935
Program Service Fees	347,076	-	41,730	-	-	-	-	-	-	97,351	207,995	-
Workshop Contract Inc	181,621	-	-	-	-	-	-	181,621	-	-	-	-
Other												
PRB Income	37,358	2,944	16,458	1,711	12,981	1,864	198	-	-	347	855	-
Investment Incom	9,037	712	3,981	414	3,140	451	48	-	-	84	207	-
Miscellaneous Income	26,195	147	15,606	6,315	895	96	721	-	-	4	2,411	-
Store Gross Sale	13,299	-	-	-	-	-	-	-	13,299	-	-	-
<b>Total Revenues</b>	<b>\$ 8,786,025</b>	<b>4,328</b>	<b>3,126,445</b>	<b>845,571</b>	<b>4,119,783</b>	<b>170,896</b>	<b>7,598</b>	<b>181,621</b>	<b>13,299</b>	<b>97,786</b>	<b>211,468</b>	<b>7,230</b>
<b>Expenses</b>												
Wages	\$ 5,596,372	400,785	2,240,815	232,706	2,057,345	253,984	26,928	215,362	4,633	47,228	116,586	-
Health Insurance	808,064	64,075	362,783	37,256	280,183	38,203	4,310	-	-	2,633	18,621	-
Other Fringes	1,389	1,389	-	-	-	-	-	-	-	-	-	-
Occup. Therapist	965	-	165	-	800	-	-	-	-	-	-	-
Speech Therapist	9,630	-	9,630	-	-	-	-	-	-	-	-	-
Psychologist	11,637	-	2,930	131	8,376	200	-	-	-	-	-	-
Other	64,636	61,629	1,106	52	1,751	56	6	-	-	10	26	-
Office Supplies	15,709	12,744	948	49	47	-	-	-	-	-	1,714	207
Telephone	39,492	5,731	24,340	57	6,894	23	397	-	333	924	793	-
Travel - Motor Vehicle	124,254	728	72,732	11,311	35,113	2,883	1,487	-	-	-	-	-
Travel - Employees	22,717	1,146	7,300	12,059	1,524	80	-	-	-	608	-	-
Conventions, Meetings	5,522	598	2,405	-	2,374	-	-	-	-	-	-	145
Adv. - Help Wanted	5,189	720	4,409	-	-	-	-	-	-	40	20	-
Organizational Dues	39,990	30,666	390	-	8,934	-	-	-	-	-	-	-
Computerized Payroll												
& Data Processing	11,437	11,436	(28)	-	-	-	-	-	29	-	-	-
Accounting & Auditing	18,055	18,055	-	-	-	-	-	-	-	-	-	-
Legal Services	22,008	22,008	-	-	-	-	-	-	-	-	-	-
Payroll Taxes	422,816	28,781	179,713	17,553	161,877	20,498	1,688	-	354	3,589	8,763	-
Insurance	116,289	13,700	43,674	4,548	34,504	4,955	526	11,111	74	923	2,274	-
Clothing Allowance -												
Clients	19,160	-	-	-	19,160	-	-	-	-	-	-	-
Miscellaneous	142,669	21,293	40,140	587	53,054	1,315	393	-	8,486	6,850	986	9,565
HCPA - Provider Tax	242,879	-	-	-	242,879	-	-	-	-	-	-	-
Real Estate -												
Personal Prop. Tax	517	-	-	-	517	-	-	-	-	-	-	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E FOGARTY CENTER)  
STATEMENT OF REVENUE AND EXPENSES - TOTAL  
CALENDAR YEAR 1999

			Adult Day	Conversion	Waiver	Semi-					Child	
			Program	Waiver	Resident	Independent					Care	Agency
Revenues	Total	Administrative		Program	Program	Apartment	Recreation	Workshop	Gift	Laundry		
Expenses - Cont'd						Program			Shop			
Interest	35,663	3,207	11,291	6,287	11,650	1,275	139	-	-	245	584	985
Rent/Lease of Building	49,602	7,205	3,599	2,340	21,602	-	-	-	-	14,856	-	-
Lease of Equipment	25,640	15,658	8,006	83	1,491	-	30	-	-	-	372	-
Lease of Vehicles	22,650	-	-	-	22,650	-	-	-	-	-	-	-
Amortization of Leasehold Impr.	13,662	-	-	-	-	-	-	-	48	13,614	-	-
Building Depreciation	11,376	-	11,216	-	-	-	-	-	-	-	160	-
Equipment Depr.	10,157	6,707	930	-	270	-	-	-	-	736	1,514	-
Motor Vehicle Depr.	49,847	5,643	29,980	3,354	10,870	-	-	-	-	-	-	-
Fuel	21,609	-	13,213	-	8,396	-	-	-	-	-	-	-
Gas	25,823	2,247	5,768	82	2,632	-	561	-	-	12,771	1,762	-
Electricity	63,638	3,250	25,492	434	24,264	-	538	-	-	6,479	3,181	-
Water & Sewerage	25,094	107	5,407	-	11,464	-	29	-	-	7,374	713	-
Plant Supplies	40,810	169	24,080	-	16,516	-	45	-	-	-	-	-
Purchased Services & Repairs	156,785	5,648	63,271	71,290	9,343	125	510	-	-	3,805	2,793	-
Food & Kitchen Suppl.	152,567	-	11,826	-	140,741	-	-	-	-	-	-	-
Linen, Laundry Suppl. & Service	6,184	-	-	-	1,920	-	-	-	-	4,264	-	-
Housekeeping Supplies	18,729	346	4,285	-	14,001	-	97	-	-	-	-	-
Pharmacy Supplies	28,396	50	7,124	5,068	16,089	65	-	-	-	-	-	-
Classroom Supplies	1,403	-	-	-	-	-	-	-	-	-	1,403	-
Workshop Client P/R Taxes	16,465	-	-	-	-	-	-	16,465	-	-	-	-
Transportation	261,308	-	261,308	-	-	-	-	-	-	-	-	-
Subtotal	8,778,804	745,721	3,480,248	405,247	3,229,231	323,662	37,684	242,938	13,957	126,949	162,265	10,902
Allocation of Administrative Expenses	\$ -	(745,721)	334,903	34,887	308,683	37,964	4,034	-	672	7,097	17,481	-
Total Expenses	\$ 8,778,804	-	3,815,151	440,134	3,537,914	361,626	41,718	242,938	14,629	134,046	179,746	10,902
Net Excess (Deficiency) of Revenue Over Expenses	\$ 7,221	4,328	(688,706)	405,437	581,869	(190,730)	(34,120)	(61,317)	(1,330)	(36,260)	31,722	(3,672)

See accompanying notes to financial information.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
STATEMENT OF REVENUES AND EXPENSES - ADULT DAY PROGRAMS  
CALENDAR YEAR 1999

<u>Revenues</u>	Total Adult Day Programs	Adult Habilitation	Adult Development	Special Adult Development	Behavior Skills
State of Rhode Island					
Dept. of MHRH					
DHS Rehab. Option	\$ 2,906,225	959,596	1,033,700	260,664	652,265
Other State Depts.	126,699	125,403	1,151	145	-
City or Town Support	15,705	6,731	5,982	1,496	1496
Interest Income	41	41	-	-	-
Program Service Fees	41,730	41,730	-	-	-
Other					
Investment Income	3,981	1,561	1,059	648	713
Miscellaneous Income	15,606	15,415	110	42	39
Store Gross Sales	16,458	6,451	4,379	2,680	2,948
<b>Total Revenues</b>	<b>\$ 3,126,445</b>	<b>1,156,928</b>	<b>1,046,381</b>	<b>265,675</b>	<b>657,461</b>
<u>Expenses</u>					
Wages	\$ 2,240,815	878,531	596,217	364,675	401,392
Health Insurance	362,783	146,992	93,431	58,258	64,102
Occupational Therapist	165	165	-	-	-
Speech Therapist	9,630	3,210	3,210	3,210	-
Psychologist	2,930	682	683	683	882
Other	1,106	804	132	81	89
Office Supplies	948	928	20	-	-
Telephone	24,340	17,519	4,705	1,899	217
Travel - Motor Vehicle	72,732	41,503	19,690	2,171	9,368
Travel - Employees	7,300	3,960	2,139	268	933
Conventions, Meetings	2,405	1,344	665	69	327
Adv. - Help Wanted	4,409	2,575	1,148	120	566
Organizational Dues	390	390	-	-	-
Computerized Payroll & Data Processing	(28)	(26)	(2)	-	-
Payroll Taxes	179,713	70,928	50,448	27,652	30,685
Insurance	43,674	17,080	11,636	7,122	7,836

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - ADULT DAY PROGRAMS  
 CALENDAR YEAR 1999

	Total Adult Day Programs	Adult Habilitation	Adult Development	Special Adult Development	Behavior Skills
<u>Revenues</u>					
<u>Expenses - (Cont'd)</u>					
Miscellaneous	40,140	30,984	4,335	3,950	871
Interest	11,291	4,406	3,021	1,842	2,022
Rent /Lease of Building	3,599	3,336	234	29	-
Lease of Equipment	8,006	7,183	557	198	68
Building Depreciation	11,216	3,812	2,468	2,468	2,468
Equipment Depreciation	930	614	158	74	84
Motor Vehicle Depr.	29,980	7,495	7,495	7,495	7,495
Fuel	13,213	6,121	4,904	2,188	-
Gas	5,768	4,204	1,049	335	180
Electricity	25,492	16,101	6,494	2,594	303
Water & Sewerage	5,407	4,446	648	223	90
Plant Supplies	24,080	23,361	492	208	19
Purchased Services & Repairs	63,271	46,507	11,437	4,137	1,190
Food & Kitchen Supplies	11,826	11,779	42	5	-
Housekeeping Supplies	4,285	2,979	903	403	-
Pharmacy Supplies	7,124	7,124	-	-	-
Transportation	261,308	188,573	45,796	5,388	21,551
Subtotal	3,480,248	1,555,610	874,155	497,745	552,738
Allocation of Administrative Expenses	334,903	131,313	89,099	54,492	59,999
Total Expenses	\$ 3,815,151	1,686,923	963,254	552,237	612,737

See accompanying notes to financial information.

:SP-8b

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
CALENDAR YEAR 1999

Revenues	Total Waiver Program	HILLCREST			
	Combined	State	Client	State	Client
State of Rhode Island					
Department of MHRH	\$ 3,692,090	3,692,090	-	639,157	-
Social Security Income	381,698	-	381,698	-	58,135
Client Excess Earnings	28,979	28,979	-	49	-
Other					
PRB Income	12,981	12,980	-	1,532	-
Investment Income	3,140	3,141	-	371	-
Miscellaneous Income	895	895	-	65	-
Total Revenues	\$ 4,119,783	3,738,085	381,698	641,174	58,135
<u>Expenses</u>					
Wages	2,057,345	2,057,345	-	234,934	-
Health Insurance	280,183	280,183	-	34,178	-
Occupational Therapist	800	800	-	-	-
Psychologist	8,376	8,376	-	507	-
Other	1,751	1,751	-	152	-
Office Supplies	47	47	-	4	-
Telephone	6,894	6,894	-	1,566	-
Travel - Motor Vehicle	35,113	35,113	-	3,665	-
Travel - Employees	1,524	1,524	-	135	-
Conventions, Meetings	2,374	2,374	-	206	-
Organizational Dues	8,934	8,934	-	812	-
Payroll Taxes	161,877	161,877	-	17,689	-
Insurance	34,504	34,504	-	4,071	-
Clothing Allowance -					
Clients	19,160	-	19,160	-	3,285
Miscellaneous	53,054	19,891	33,163	2,015	5,327
HCPA-Provider Tax	242,879	242,879	-	41,524	-
Real Estate -					
Personal Prop. Taxes	517	-	517	-	-
Interest	11,650	11,650	-	1,052	-
Rent/Lease of Building	21,602	-	21,602	-	16,958
Lease of Equipment	1,491	1,491	-	346	-
Lease of Vehicles	22,650	22,650	-	7,548	-
Equipment Depreciation	270	270	-	270	-
Motor Vehicle Depr.	10,870	10,870	-	132	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

	Total Waiver Program			HILLCREST	
Revenues	Combined	State	Client	State	Client
Expenses - (Cont'd)					
Fuel	8,396	-	8,396	-	-
Gas	2,632	-	2,632	-	7
Electricity	24,264	-	24,264	-	39
Water & Sewerage	11,464	-	11,464	-	-
Plant Supplies	16,516	-	16,516	-	1,457
Purchased Services & Repairs	9,343	9,343	-	90	-
Food & Kitchen Supplies	140,741	-	140,741	-	26,775
Linen, Laundry Supplies & Service	1,920	-	1,920	-	1,920
Housekeeping Supplies	14,001	-	14,001	-	1,791
Pharmacy Supplies	16,089	-	16,089	-	2,435
Subtotal	3,229,231	2,918,766	310,465	350,896	59,994
Allocation of Administrative Expenses	308,683	308,683	-	30,868	-
Total Expenses	\$ 3,537,914	3,227,449	310,465	381,764	59,994
Excess (Deficiency of Revenues over Expense	581,869	510,636	71,233	259,410	(1,859)

See accompanying notes to financial statements.

:SP-8c

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
CALENDAR YEAR 1999

	<b>BURATTI</b>		<b>HOWARD</b>		<b>ANGELL</b>	
<u>Revenues</u>	<u>State</u>	<u>Client</u>	<u>State</u>	<u>Client</u>	<u>State</u>	<u>Client</u>
State of Rhode Island						
Department of MHRH	\$ 425,331		286,254		286,470	
Social Security Income		42,053		27,424		29,273
Other						
PRB Income	1,259	-	926	-	1,001	-
Investment Income	305	-	224	-	242	-
Miscellaneous Income	61	-	57	-	58	-
<b>Total Revenues</b>	<b>\$ 426,956</b>	<b>42,053</b>	<b>287,461</b>	<b>27,424</b>	<b>287,771</b>	<b>29,273</b>
 <u>Expenses</u>						
Wages	\$ 197,702	-	152,608	-	162,583	-
Health Insurance	27,229	-	19,979	-	21,606	-
Occupational Therapist	-	-	-	-	-	-
Psychologist	496	-	1,116	-	1,113	-
Other	143	-	233	-	136	-
Office Supplies	4	-	4	-	4	-
Telephone	525	-	612	-	705	-
Travel-Motor Vehicle	4,373	-	5,199	-	3,051	-
Travel-Employees	150	-	150	-	74	-
Conventions, Meetings	206	-	206	-	206	-
Organizational Dues	812	-	812	-	812	-
Payroll Taxes	15,928	-	11,577	-	12,278	-
Insurance	3,346	-	2,462	-	2,661	-
Clothing Allowance-						
Clients	-	2,010	-	1,460	-	1,460
Miscellaneous	1,781	3,261	1,626	2,605	2,193	1,980
HCPA-Provider Tax	27,772	-	18,610	-	18,781	-
Interest	868	-	634	-	687	-
Rent/Lease of Building	-	1,472	-	1,472	-	212
Lease of Equipment	229	-	123	-	86	-
Lease of Vehicles	736	-	6,660	-	-	-
Motor Vehicle Depr.	132	-	1,332	-	132	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

	BURATTI		HOWARD		ANGELL	
	State	Client	State	Client	State	Client
Revenues						
Expenses - (Cont'd)						
Fuel	-	-	-	920	-	1,729
Gas	-	51	-	380	-	7
Electricity	-	5,400	-	2,992	-	1,554
Water & Sewerage	-	970	-	3,888	-	929
Plant Supplies	-	1,457	-	1,527	-	1,522
Purchased Services & Repairs	1,786	-	533	-	724	-
Food & Kitchen Supplies	-	15,671	-	10,007	-	10,652
Housekeeping Supplies	-	1,481	-	1,459	-	859
Pharmacy Supplies	-	1,384	-	1,342	-	1,436
Subtotal	\$ 284,218	33,157	224,476	28,052	227,832	22,340
Allocation of Administrative Expenses	30,868	-	24,694	-	24,695	-
Total Expenses	\$ 315,086	33,157	249,170	28,052	252,527	22,340
Excess (Deficiency) of Revenues over Expenses	\$ 111,870	8,896	38,291	(628)	35,244	6,933

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

	Scenic Hill		Tally Ho		Ridge	
Revenues	State	Client	State	Client	State	Client
State of Rhode Island						
Department of MHRH	\$ 327,856	-	283,172	-	278,407	-
Social Security Income	-	36,718	-	31,365	-	24,603
Clients Excess Earnings	6,347	-	3,298	-	14,847	-
Other						
PRB Income	1,838	-	840	-	855	-
Investment Income	445	-	203	-	207	-
Miscellaneous Income	69	-	56	-	56	-
Total Revenues	\$ 336,555	36,718	287,569	31,365	294,372	24,603
Expenses						
Wages	\$ 276,698	-	140,600	-	142,736	-
Health Insurance	39,820	-	17,596	-	18,434	-
Occupational Therapist	800	-	-	-	-	-
Psychologist	496	-	864	-	496	-
Other	261	-	131	-	131	-
Office Supplies	4	-	4	-	4	-
Telephone	536	-	484	-	473	-
Travel-Motor Vehicle	3,030	-	2,042	-	4,061	-
Travel-Employees	74	-	74	-	318	-
Conventions, Meetings	206	-	206	-	206	-
Organizational Dues	812	-	812	-	812	-
Payroll Taxes	22,930	-	10,634	-	14,142	-
Insurance	4,885	-	2,234	-	2,274	-
Clothing Allowance -						
Clients	-	1,820	-	1,460	-	1,460
Miscellaneous	1,793	3,613	1,938	2,683	2,251	3,237
HCPA-Provider Tax	22,694	-	18,682	-	18,035	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
CALENDAR YEAR 1999

	Scenic Hill		Tally Ho		Ridge	
Revenues	State	Client	State	Client	State	Client
Expenses - (Cont'd)						
Interest	2,503	-	574	-	584	-
Rent/Lease of Building	-	212	-	212	-	212
Lease of Equipment	421	-	52	-	8	-
Lease of Vehicles	-	-	7,706	-	-	-
Motor Vehicle Depr.	132	-	1,532	-	132	-
Fuel	-	1,445	-	1,074	-	1,186
Gas	-	7	-	252	-	7
Electricity	-	3,229	-	2,626	-	2,489
Water & Sewerage	-	-	-	502	-	432
Plant Supplies	-	1,457	-	1,457	-	1,602
Purchased Services						
& Repairs	1,149	-	720	-	937	-
Food & Kitchen Supplies	-	12,768	-	10,614	-	10,337
Housekeeping Supplies	-	1,499	-	944	-	1,204
Pharmacy Supplies	-	1,342	-	1,342	-	1,342
Subtotal	\$ 379,244	27,392	206,885	23,166	206,034	23,508
Allocation of Administrative Expenses	40,129	-	21,608	-	21,608	-
Total Expenses	\$ 419,373	27,392	228,493	23,166	227,642	23,508
Excess (Deficiency) of Revenues Over Expenses	\$ (82,818)	9,326	59,076	8,199	66,730	1,095

See accompanying notes to financial information.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
CALENDAR YEAR 1999

	<b>Roland</b>		<b>Sherwood</b>	
	<u>State</u>	<u>Client</u>	<u>State</u>	<u>Client</u>
<u>Revenues</u>				
State of Rhode Island				
Department of MHRH	\$ 397,289	-	284,169	-
Social Security Income	-	50,438	-	30,838
Clients Excess Earnings	-	-	1,313	-
Other				
PRB Income	1,763	-	900	-
Investment Income	427	-	218	-
Miscellaneous Income	118	-	57	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenues	\$ <u>399,597</u>	<u>50,438</u>	<u>286,657</u>	<u>30,838</u>
<u>Expenses</u>				
Wages	\$ 266,478	-	149,037	-
Health Insurance	37,336	-	19,410	-
Psychologist	1,063	-	496	-
Other	159	-	133	-
Office Supplies	4	-	4	-
Telephone	406	-	488	-
Travel-Motor Vehicle	1,679	-	2,580	-
Travel-Employees	318	-	74	-
Conventions, Meetings	206	-	206	-
Organizational Dues	812	-	812	-
Payroll Taxes	20,118	-	11,311	-
Insurance	4,687	-	2,393	-
Clothing Allowance-				
Clients	-	2,190	-	1,460
Miscellaneous	1,875	3,632	1,261	2,565
HCPA-Provider Tax	26,645	-	18,685	-
Interest	2,699	-	631	-
Rent/Lease of Building	-	212	-	212
Lease of Equipment	205	-	8	-
Motor Vehicle Depr.	4,790	-	1,032	-
Fuel	-	1,392	-	650
Gas	-	7	-	381
Electricity	-	1,903	-	1,123
Water & Sewerage	-	985	-	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

	Roland		Sherwood	
	State	Client	State	Client
<u>Expenses - (Cont'd)</u>				
Plant Supplies		1,537		1,457
Purchased Services				
& Repairs	1,321	-	297	
Food & Kitchen Supplies	-	15,755	-	10,330
Housekeeping Supplies	-	1,194	-	1,193
Pharmacy Supplies	-	1,421	-	1,342
Subtotal	\$ 370,801	30,228	208,858	20,713
Allocation of Administrative Expenses	40,129	-	21,608	-
Total Expenses	\$ 410,930	30,228	230,466	20,713
Excess (Deficiency) of Revenues over Expenses	\$ (11,333)	20,210	56,191	10,125

See accompanying notes to financial information.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

	<b>Douglas</b>		<b>Leach</b>	
	<u>State</u>	<u>Client</u>	<u>State</u>	<u>Client</u>
<u>Revenues</u>				
State of Rhode Island				
Department of MHRH	\$ 284,946	-	199,039	-
Social Security Income		30,025		20,826
Clients Excess Earnings	1,525		1,600	
Other				
PRB Income	1,345	-	721	-
Investment Income	325	-	174	-
Miscellaneous Income	243	-	55	-
	<u>243</u>	<u>-</u>	<u>55</u>	<u>-</u>
Total Revenues	\$ <u>288,384</u>	<u>30,025</u>	<u>201,589</u>	<u>20,826</u>
<u>Expenses</u>				
Wages	\$ 209,588	-	124,381	-
Health Insurance	29,086	-	15,507	-
Psychologist	1,231	-	496	-
Other	146	-	127	-
Office Supplies	4	-	4	-
Telephone	552	-	546	-
Travel-Motor Vehicle	2,702	-	2,731	-
Travel-Employees	74	-	83	-
Conventions, Meetings	206	-	314	-
Organizational Dues	812	-	812	-
Payroll Taxes	15,917	-	9,353	-
Insurance	3,575	-	1,916	-
Clothing Allowance -				
Clients	-	1,460	-	1,095
Miscellaneous	1,314	2,669	1,843	1,591
HCPA-Provider Tax	18,617	-	12,836	-
Real Estate -				
Personal Prop. Taxes	-	-	-	517
Interest	920	-	498	-
Rent/Lease of Building	-	212	-	212
Lease of Equipment	8	-	8	-

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
 (JOHN E. FOGARTY CENTER)  
 STATEMENT OF REVENUES AND EXPENSES - RESIDENTIAL WAIVER PROGRAM  
 CALENDAR YEAR 1999

<u>Expenses - (Cont'd)</u>	<b>Douglas</b>		<b>Leach</b>	
	<u>State</u>	<u>Client</u>	<u>State</u>	<u>Client</u>
Motor Vehicle Depr.	132	-	1,392	-
Gas	-	1,066	-	464
Electricity	-	1,733	-	1,176
Water & Sewerage	-	865	-	2,895
Plant Supplies	-	1,589	-	1,457
Purchased Services & Repairs	772	-	1,013	-
Food & Kitchen Supplies	-	10,344	-	7,488
Housekeeping Supplies	-	1,192	-	1,185
Pharmacy Supplies	-	1,362	-	1,342
Subtotal	\$ 285,656	22,492	173,860	19,422
Allocation of Administrative Expenses	<u>30,868</u>	<u>-</u>	<u>21,608</u>	<u>-</u>
Total Expenses	\$ <u>316,524</u>	<u>22,492</u>	<u>195,468</u>	<u>19,422</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>(28,140)</u>	<u>7,533</u>	<u>6,121</u>	<u>1,404</u>

See accompanying notes to financial information.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
CALENDAR YEAR 1999

NOTES TO FINANCIAL INFORMATION

Note 1 – Significant Accounting Policies

Basis of Accounting

The financial statements are presented on the accrual basis of accounting which is in compliance with MHRH's "Prudent Person Rule" and DHS's Principles of Reimbursement HIM-15. Under this basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred.

Depreciation

Depreciation costs are based on the straight-line method which is in compliance with MHRH's "Prudent Person Rule" and DHS's Principles of Reimbursement HIM-15.

Note 2 – Excess (Deficiency) of Revenue Over Expenses

The State's method of reimbursement for ICF/MR facilities is based solely on audited expenses and, therefore, does not take into account the excess or deficiency of revenue over expenses.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
CALENDAR YEAR 1999

FINDINGS AND RECOMMENDATIONS

Status of Prior Audit Recommendations Calendar Years 1988 – 1993

Recommendation for DHS

1. The amount of \$4,734.04 should be recovered from the Greater Providence Chapter-Rhode Island Association for Retarded Citizens, Inc., by the Department of Human Services in accordance with its current funding policy.

Complied.

Recommendation for MHRH

2. The amount of \$19,829 should be recovered from the Greater Providence Chapter-Rhode Island Association for Retarded Citizens, Inc. by the Department of MHRH as excess funding in 1991 or reprogrammed by the provider upon written agreement with MHRH in accordance with the applicable contract provisions.

Complied.

GREATER PROVIDENCE CHAPTER FOR RETARDED CITIZENS, INC.  
(JOHN E. FOGARTY CENTER)  
CALENDAR YEAR 1999

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

DHS Programs

Amount Due To DHS

As a result of our examination, it has been determined that a net amount of \$24,642 is due to the Department of Human Services from the Greater Providence Chapter for Retarded Citizens, Inc., due to excess per diem rates for calendar years 1996 through 1994.

This settlement summarized by facility and year, is as follows:

FACILITY					
<u>PER DIEM RATE</u>		<u>Total</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>
Scenic Hill	\$	8,157	1,761	2,114	4,282
Roland		8,987	2,285	2,370	4,332
Douglas		<u>7,498</u>	<u>1,681</u>	<u>1,921</u>	<u>3,896</u>
Total Due to DHS	\$	<u>24,642</u>	<u>5,727</u>	<u>6,405</u>	<u>12,510</u>

Recommendation

1. The amount of \$24,642 should be recovered from the Greater Providence Chapter for Retarded Citizens, Inc., by the Department of Human Services in accordance with its current funding policy.

## MHRH Programs

### Determination of Excess Funding

The Department of MHRH and the providers have agreed "that in each particular contract year, any surplus incurred by the Provider in operating one or more of its programs, wherein funding for same is received by the Department of Mental Health, Retardation and Hospitals and/or the Department of Human Services, shall be used/can be used by the Provider to offset any losses incurred by the Provider in one or more of the programs above-referred." Any net surplus by each particular contract year incurred by the Provider "shall be returned to the State of Rhode Island in such manner as it may prescribe, or shall be used by the Provider in a manner which has been approved by written agreement with the State of Rhode Island." This policy is applicable to all MHRH contracts beginning with calendar year 1986.

As a result of our audit it has been determined that there are excess funds in the amount of \$8,922 upon the aforementioned policy and the individual contract requirements. The following is a summary of the individual program excesses or deficits and combined results for each year.

	<u>Net Excess</u>	<u>Day Program</u>	<u>Conversion Wavier</u>	<u>Waiver Program</u>	<u>Semi- Independent</u>
1997	\$ 8,922	(149,237)	-	115,484	42,675
Total	\$ 8,922	(149,237)	-	115,484	42,675

	<u>Net Deficits</u>	<u>Day Program</u>	<u>Conversion Waiver</u>	<u>Waiver Program</u>	<u>Semi- Independent</u>
1999	\$ (141,749)	(688,706)	405,437	332,250	(190,730)
1998	(218,784)	(477,795)	107,592	165,309	(13,890)
1996	(456,299)	(553,667)	-	107,500	(10,132)
1995	(438,545)	(250,585)	-	-	(187,960)
1994	(563,270)	(563,270)	-	-	-
Total	\$ (1,818,647)	(2,534,023)	513,029	605,059	(402,712)

An effort through your department's Division of Developmental Disabilities to finalize all prior years' outstanding excess funding against additional program endeavors by the Greater Providence Chapter for Retarded Citizens, Inc. (Center), has produced a net excess balance still due to the Center of \$4,830. This amount should be applied against the current net excess of \$8,922, leaving a net settlement due to MHRH of \$4,092.

#### Recommendation

2. The amount of \$4,092 should be recovered from the Greater Providence Chapter for Retarded Citizens, Inc., by the Department of MHRH as excess funding or be reprogrammed by the provider upon written agreement with MHRH in accordance with the applicable contract provisions and policy.

Details pertaining to this settlement by program are as follows:

#### Day Programs

The contract for the fiscal year ended June 30, 1999 states that "if the audit or calendar year cost report reveals that the total combined amounts of the payment under this Agreement is greater than the total combined reasonable allowable cost for the above specified program, the parties agree to recognize that the excess funding is that of other income over and above the Department funding at the discretion of the Department. However, should the excess funding be greater than other income, the Provider agrees to reimburse to the Department the difference of excess funding." Similar provisions were also in the contracts that covered the years 1994-1998.

There was no excess funding for the period under review.

#### Waiver Residential Program

The Wavier contract for the fiscal year ended June 30, 1999 stated that "if the audit or calendar year cost report reveals total payment to the Provider under the Agreement is greater than one hundred five (105%) percent of total allowable cost for the above specified programs covered by this agreement the parties agree that the excess funding over one hundred five (105%) percent will be returned to the Department by the Provider." This provision was also in the contracts for 1994 through 1998.

Period	<u>Total MHRH Payments to Provider</u>	<u>105% of Allowable Expenses</u>	<u>Net Excess Funding</u>
1999	\$ 3,721,069	3,388,819	332,250
Prior Years			
1998	3,536,301	3,370,992	165,309
1997	3,481,863	3,366,379	115,484
1996	2,586,315	2,478,815	107,500
1995	1,966,313	2,023,619	-
1994	1,941,365	2,001,021	-

#### Semi-Independent Living Program

The contract for the fiscal year ended June 30, 1999 states that "The parties to this contract agree that in each particular contract year, any surplus incurred by the Provider in operating one or more of its programs, wherein funding for same is received by the Department of Mental Health, Retardation and Hospitals and/or the Department of Human Services, shall be used/can be used by the Provider to offset any losses incurred by the Provider in one or more of the programs above-referred. In each particular contract year, where a Provider has an overall surplus, after application of all the above-referred program surplus/loss offset, this surplus shall be due and owing to the State of Rhode Island and either shall be returned to the State of Rhode Island in such manner as it may prescribe, or shall be used by the Provider in a manner which has been approved by written agreement with the State of Rhode Island." This contract provision is retroactive back to 1994.

We have determined that excess funding by the Department of Mental Health, Retardation and Hospitals of Greater Providence Chapter for Retarded Citizens, Inc., for the Period under review totaled \$42,675 in 1997. For the years, 1999, 1998, and 1996, the program operated with deficiencies of revenue over expenses and for 1994 the program excess was from non-mhrh sources. The excess is summarized as follows:

<u>Year</u>	<u>Total Excess Funding</u>	<u>Excess Attributable to Non-MHRH Sources</u>	<u>Net Excess Funding</u>
1997	\$ 51,191	8,516	42,675
1994	9,360	110,566	-